

Congress of the United States
Washington, DC 20515

May 16, 2011

The Honorable Eric Holder, Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 20530

The Honorable Gary Gensler, Chairman
Commodity Futures Trading Commission
3 Lafayette Centre, 1155 21st Street NW
Washington, D.C. 20581

Dear Attorney General Holder and Chairman Gensler:

With gas prices surging above \$4 per gallon across the country, it is vital that the government use every tool at its disposal to protect Americans from artificially inflated prices at the pump. In light of data cited by Commodity Futures Trading Commission Commissioner Bart Chilton indicating that speculators have increased their positions in energy markets by 64% since June 2008 to their highest levels on record, we write to call on your respective agencies to exercise a variety of enforcement authorities to thoroughly investigate potential illegal activity in the oil futures markets and to responsibly regulate speculative activity.

The Department of Justice ("DOJ") has wide-ranging criminal and civil authority to investigate and prosecute fraud and price manipulation. We applaud the decision to create an Oil and Gas Price Fraud Working Group to look for evidence of oil and gas price manipulation, fraud, or collusion. These recent steps by DOJ to prioritize its efforts in this area as it relates to surging gas prices are important, but we believe we must go further. With speculation in the energy markets at its highest levels on record, it is vital that prosecutors in DOJ's Fraud Section and at the U.S. Attorneys' offices nationwide begin immediately investigating potential ongoing commodities fraud.

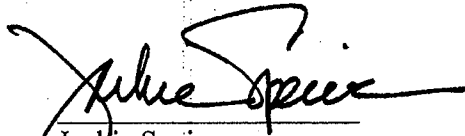
The Commodity Futures Trading Commission ("CFTC") is authorized to police commodity speculation in a variety of markets. The agency received new authority under last year's Dodd-Frank financial reform legislation to limit excessive speculation and fix market failures in petroleum markets. This authority includes the ability to establish speculative position limits and the authority to impose margin requirements to protect the financial integrity of the energy futures trading markets. The agency's efforts at implementing this authority are not proceeding fast enough – the CFTC should act swiftly to rein in dangerous activity in this market – but regardless of this rule, the CFTC should use its existing enforcement authority in coordination with DOJ to aggressively pursue illegal speculative activity in the oil futures markets.

There are many reasons for high gas prices, and no one effort to protect consumers is guaranteed to solve the problem. But the vigorous exercise of these investigative and regulatory authorities will send a signal to speculators that excessive manipulation, collusion or fraud will not be tolerated, and will hopefully serve as a deterrent to further activity to artificially inflate gas prices. Even announcing such investigations and beginning to issue subpoenas could curb some

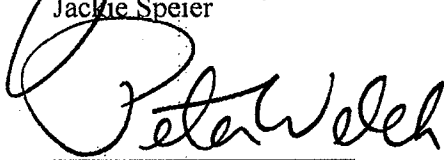
of the worst speculative activity that may well be underway at this very moment. As key officials with the authority to undertake these actions, your joint efforts in this area will be critical to reducing Americans' pain at the pump this summer.

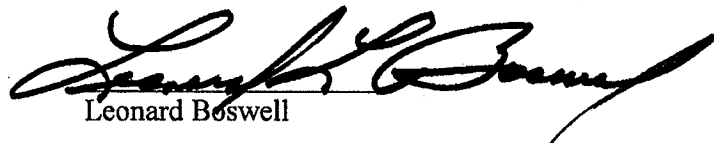
Thank you for your consideration.

Sincerely,

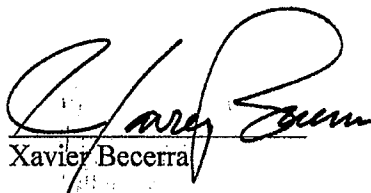

Jackie Speier

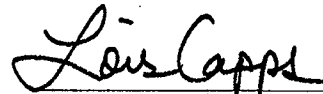

Bruce Braley



Peter Welch


Leonard Boswell



Joe Baca

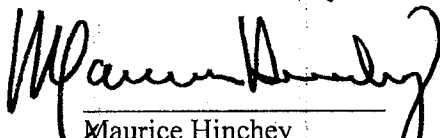

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Lois Capps


Rosa DeLauro

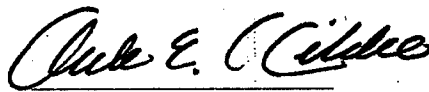

Norman Dicks


Raúl Grijalva


Maurice Hinchey

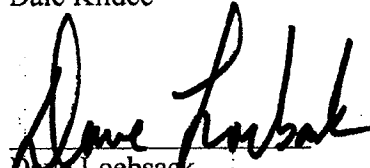

Mazie Hirono

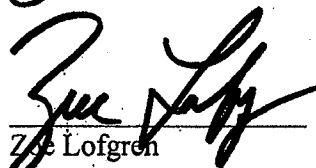

Jay Inslee

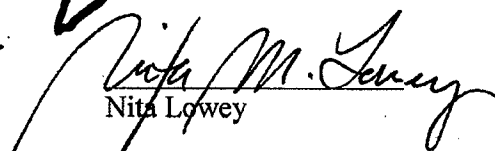

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James Langevin


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Carolyn Maloney Edward Markey George Miller

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